United Nations DP/2002/26

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
15 August 2002

Original: English

Second regular session 2002
23 to 27 September 2002, New York
Item 2 of the provisional agenda
Financial, budgetary and administrative matters

Information on United Nations system technical cooperation expenditures, 2001*

Report of the Administrator

Summary

The present report contains a summary of the technical cooperation expenditure of the United Nations system as a whole. It also provides an analysis of technical cooperation provided by the UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and other specialized agencies, funds and programmes.

For the purpose of the report, technical cooperation assistance is the summation of programme expenditure, net of support and administrative costs. A complete account of expenditure on development activities undertaken by the entire United Nations system can be found in the annual report of the Secretary-General on development activities. The analysis provided in the present report is based on the data presented at the end of the report and on the addendum (DP/2002/26/Add.1).

The Executive Board may wish to take note of the present report (DP/2002/26).

I. Highlights

1. United Nations system cooperation (excluding the World Bank Group) with the developing world reached an all-time high of $7.1 billion in 2001, up by almost 17 per cent from 2000 (see figure 1). This is the second highest growth recorded by the United Nations system during the past decade, the highest level of 19 per cent having been achieved in 1998 when expenditures reached $5.7 billion. Figure 2 shows that UNDP, UNFPA, UNICEF, WFP and

* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.

02-52791 (E) 230802

growth, followed by WFP (at 50.6 per cent) and then UNICEF (at 14.3 per cent). UNDP and the other specialized agencies, funds and programmes also showed some noteworthy gains, at 5.7 per cent and 0.7 per cent, respectively.

Figure 1. United Nations system technical cooperation expenditure, 1997 - 2001

(millions of dollars)

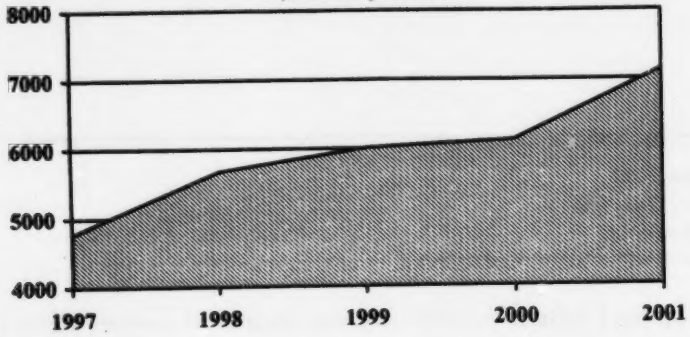
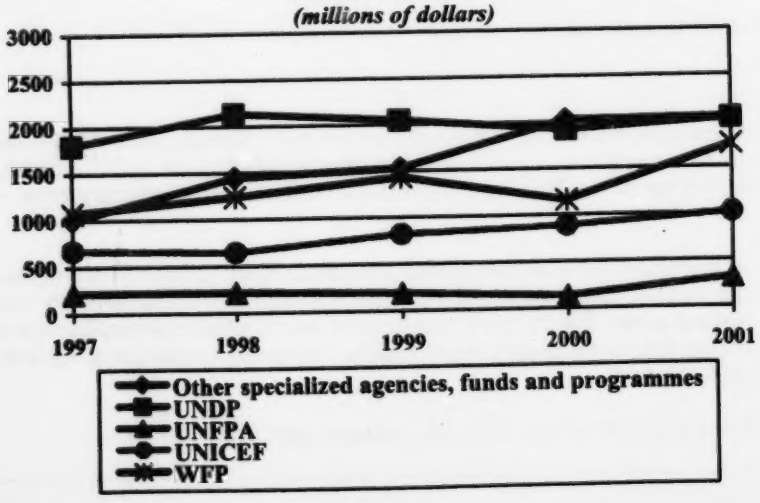


Figure 2. United Nations system technical cooperation, 2001, by organization

(millions of dollars)



2. The analysis on regional coverage (figures 3 and 4) reveals that since 1996 Africa has continued to receive the highest share ($1.895 billion in 2001) of technical cooperation, representing 26.6 per cent of total United Nations system-wide delivery in 2001. UNICEF, WFP and other specialized agencies, funds and programmes provided Africa with approximately four fifths of the expenditure delivered to the region in 2001: $416 million, $383 million and $731 million, respectively. The remaining one fourth was provided by UNDP ($292 million) and UNFPA ($73 million). The total technical cooperation of $1.895 billion provided to Africa in 2001 registered a relatively significant growth of 12.1 per cent compared to 2000. The Asia and the Pacific region received the second largest share of 21.6 per cent, or $1.543 billion, registering a substantial growth of 25 per cent compared with the 2000 delivery level of $1.236 billion. From the second largest share in 2000, Latin America and the Caribbean assumed the third largest share in 2001, absorbing 19.7 per cent, or $1.407 billion, of expenditures delivered by the entire

United Nations system. Of this amount, UNDP provided 71 per cent, or $1.0 billion, of which 91 per cent, or $907 million, constituted government and third-party cost-sharing inputs. The Arab States ($1.1 billion), Europe and the Commonwealth of Independent States (CIS) ($.467 billion) and other global and interregional programmes ($.680 billion) shared the remaining $2.3 billion, or 32 per cent, of technical cooperation expenditures of the United Nations in 2001, with global and interregional programmes registering a sharp increase of 41 per cent.

Figure 3. United Nations system technical cooperation, 2001: geographic breakdown

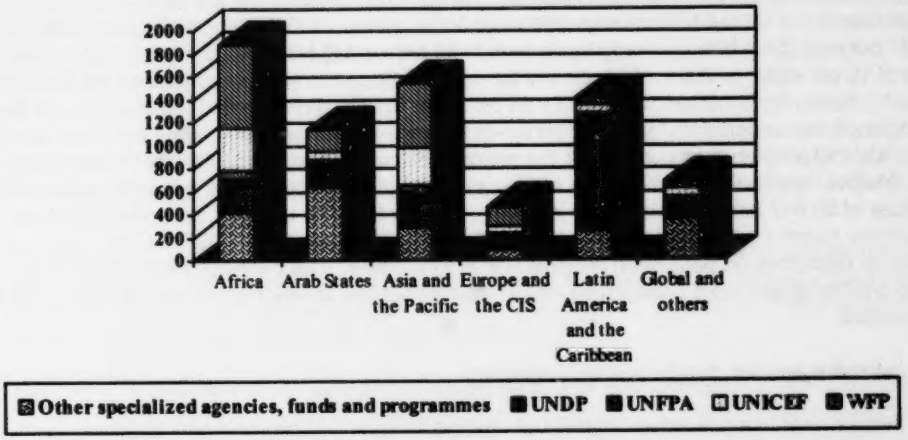
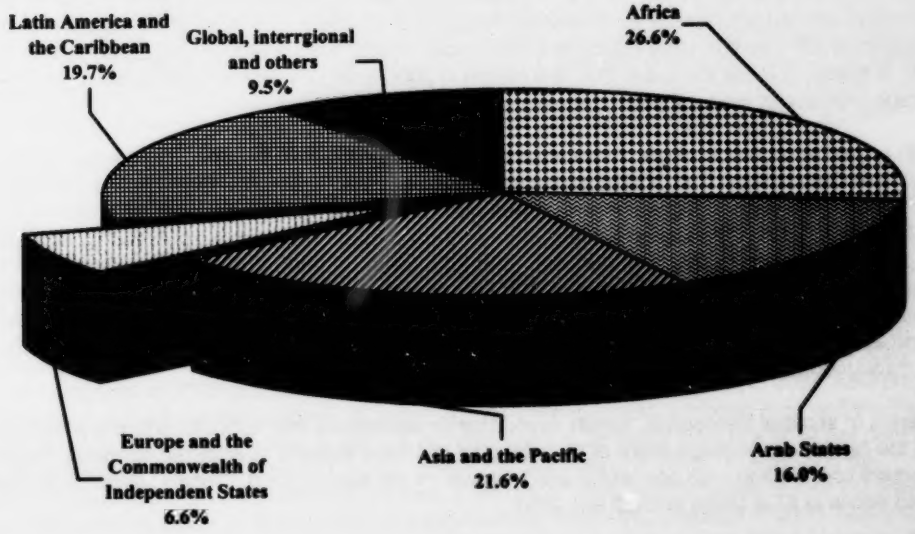


Figure 4. United Nations system technical cooperation, 2001, by region ($7.1 billion)


Latin America and the Caribbean 19.7%
Global, interrgional and others 9.5%
Africa 26.6%
Europe and the Commonwealth of Independent States 6.6%
Asia and the Pacific 21.6%
Arab States 16.0%

3. Sixteen countries, receiving more than $100 million in 2001, accounted for almost 40 per cent of total United Nations system technical cooperation expenditures. Eight of these countries (Afghanistan, Angola, Bangladesh, Democratic People's Republic of Korea, Ethiopia, Kenya, Sudan and Yugoslavia) received substantive portions from WFP. Argentina, Brazil, Colombia and Panama primarily financed from 94 per cent to 99.7 per cent (i.e., Panama) of their expenditures from contributions made by their respective Governments through cost-sharing mechanisms. China ($51.1 million) received 46 per cent of its country support from UNDP, Iraq (55 per cent or $160.8 million) from the other specialized agencies, funds and programmes, while India (50 per cent or $103.2 million) and Democratic Republic of the Congo (36 per cent or $35.8 million) were primarily supported by UNICEF.

4. With regard to sectoral distribution, the sectors of humanitarian assistance and health continued to capture a significant portion of the United Nations expenditure in 2001. Since 1996, the combined share of these two sectors rose from 37 per cent ($1.6 billion) of aggregate total to 46 per cent ($3.3 billion) by 2001, translating in an annual growth rate of 16 per cent. In 2001, expenditures for each of these two sectors surpassed the $1.0 billion level: $2.02 billion for humanitarian assistance and $1.26 billion for health. WFP carried the load (75 per cent or $1.52 billion) of expenditures undertaken for humanitarian-assistance-related activities, while the other specialized agencies, funds and programmes contributed the majority share of 53 per cent or $0.674 billion to the health sector. The World Health Organization (WHO) is the main contributor (51.3 per cent) to the health sector, deploying all of its total resources of $0.647 billion to this sector in 2001. Similar to 2000, UNICEF support in 2001 was again channelled to the health sector (36 per cent of its 2001 expenditure delivery or $457 million). As usual, UNFPA fully concentrates its resources on population projects and programmes. The majority of expenditures for energy, industry and political affairs were provided by UNDP total resources, in which a cumulative amount of $322 million was fully divested.

Other specialized agencies, funds and programmes

5. For the second year in a row, other specialized agencies, funds and programmes assumed the largest percentage of United Nations system-wide expenditures at 28.6 per cent. With an increase of 7 per cent in 2001 over the previous year, technical cooperation delivery in 2001 is its highest ever on record at $2.037 billion. Between 1999 and 2001, WHO alone has executed one third of technical cooperation expenditure, averaging approximately $613.3 million per year, for both regular budgets and extrabudgetary resources. The International Labour Organization (ILO) at 49 per cent, had the second highest percentage increase in 2001: $109 million in 2001 against $73 million in 2000. The United Nations Educational, Scientific and Cultural Organization (UNESCO) followed with an increase of 37 per cent, with $224 million delivery in 2001 versus $164 million in 2000. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) increase of 20.3 per cent ($359 million in 2001 versus $299 million in 2000) placed fourth, trailing behind UNESCO. Although WTO reported only a $1.0 million nominal increase, from $.4 million in 2000 to $1.4 million in 2001, it did record the highest percentage increase in the total pool of agency expenditures at 284 per cent.

6. With regard to regular budgets, three organizations posted triple-digit gains. The United Nations Industrial Development Organization (UNIDO) recorded the largest increase – 306 per cent – from $1.4 million in 2000 to $5.6 million in 2001. The second highest increase was attributed to ILO, at 136 per cent: $8.5 million in 2000 compared to $20.0 million in 2001. The United Nations Human Settlements Programme (HABITAT) contributed the third largest increase in this category: 118 per cent, from $0.4 million in 2000 to $0.9 million in 2001. In terms of extrabudgetary expenditures, the delivery of WTO is noteworthy as it recorded a 108 per cent increase, from $0.4 million in 2000 to $0.7 million in 2001. Overall, the performance of other specialized agencies, funds and programmes was positive and a contributing factor to the successful performance of the entire United Nations system throughout 2001.

7. In terms of sectoral distribution, health, humanitarian assistance and agriculture/forestry/fisheries continued to capture the highest percentage share of the total pool of United Nations specialized agencies, funds and programmes development cooperation – 68 per cent in 2001 versus 71 per cent in 2000. Total assistance to these sectors remained stable at $1.4 billion in 2000 and 2001.

8. In 2001, Iraq and Brazil shared the highest proportion of resources delivered by other specialized agencies, funds and programmes. Iraq, at the top, delivered $160.8 million and was followed by Brazil at $129.6 million. On a smaller scale, five other countries received $20 million or more in agency expenditures: India ($34.8 million), China ($28.6 million), Democratic Republic of the Congo ($25.6 million), Nigeria ($22.0 million) and Ethiopia ($20.6 million).

9. Total contributions made to other specialized agencies, funds and programmes recorded another growth year – from $1.792 billion in 2000 to $1.985 billion in 2001 – an expansion of 11 per cent or $192.4 million. Four organizations attracted the bulk of this increase: WHO ($622 million), UNRWA ($358 million), the Food and Agriculture Organization of the United Nations (FAO)($257 million) and UNESCO ($118 million). The four largest funding donors to the total income pool of other specialized agencies, funds and programmes in 2001 were: United States ($207 million), Netherlands ($169 million), United Kingdom ($124 million) and Italy ($119 million). These four countries alone funded over one half (55.5 per cent) of the full scope of agency activities for the year.

UNDP

10. Reversing the trend of declining growth of the past two years, UNDP experienced a positive turnaround, recording an increase of 5.7 per cent in 2001 and surpassing the $2 billion level (at $2.027 billion) in technical cooperation expenditures.

11. In light of the UNDP evolution as a multi-funded organization, expenditures financed against non-core resources continued to rise in 2001 and recorded an increase of 11 per cent or $181 million: from $1.576 billion in 2000 to $1.757 billion. Of total expenditure for 2001, $2 billion (83 per cent) pertains to other resources while less than 20 per cent ($333 million) was financed from regular resources.

12. The flow of UNDP cooperation to the various economic sectors reveals that general development issues continued as the overriding sector in which UNDP disbursed the greatest proportion of total resources during the past six years since 1996. Hence, from 1996 to 2001, UNDP funded $3.3 billion of total cooperation expenditure for general development activities within a total programme framework of $11.4 billion.

13. Since 1996 and for the sixth straight year, national execution has been the modality of choice for UNDP projects and programmes. In 2001, national execution continued to implement two thirds, or $1.3 billion, of the total pool of $2 billion of UNDP expenditure. The United Nations Office for Project Services (UNOPS) trailed next, executing 13 per cent, or $267 million, of total UNDP activities. Following a close third is the direct execution modality with a 10 per cent share or $214 million. In terms of the implementing modality, the value, pattern and percentage share of delivery exhibited a similar composition in 2001 compared to 2000: national execution shares constituted 60 per cent and recorded over $1 billion in delivery, while UNOPS shares composed 14 per cent, which valued over $200 million in delivery. As in the case of the execution modality, both the percentage share and the value of direct execution delivery had gradually moved upward during the five-year period, 1997 to 2001.

14. The distribution of UNDP field programme expenditure (i.e., regular resources and cost-sharing) on the geographic front for 2001 mirrored that of 2000 (see table 12 in document DP/2002/26/Add.1), with Latin American and the Caribbean receiving 60.7 per cent, Africa 13.1 per cent and Asia and the Pacific 11.8 per cent. In 1998, Latin America and the Caribbean recorded its highest level of expenditure at $1.032 billion. In the subsequent two years, expenditures (primarily funded from government and third-party cost-sharing) dropped in the Latin American and Caribbean region. This trend reversed, however, in 2001 with a growth of 7 per cent. The Africa region's share of UNDP field programme expenditures remained stable at 13.1 per cent or $199.2 million, an increase of 5 per cent or $9.4 million from 2000. Cost-sharing, however, registered a significant increase of 37 per cent in 2001 ($49.7 million) as compared to 2000 ($36.2 million). With regard to Asia and the Pacific, in 2001, field programme expenditures remained at the $180 million level. In terms of cost-sharing inputs, although Asia and the Pacific financed only 25 per cent of its own activities in 2001, it represented a substantial increase of 44 per cent over the previous year when cost-sharing grew from $41 million in 2000 to $59 million in 2001. Europe and the Commonwealth of Independent States posted the greatest increase in 2001, both in terms of field programme expenditure and cost-sharing inputs to field programme expenditure. From $92.2 million in 2000, field programme expenditures rose to $112 million – a substantial 21.4 per cent increase. Likewise, from $68.1 million in 2000, cost-sharing inputs rose to $86.6 million – a rise of 27.1 per cent. The Arab States region experienced positive

growth in field programme expenditure and cost-sharing: $6.8 million and $10.2 million, respectively. Global and interregional programmes faced the only contraction in 2001: a net loss of $28.6 million in field programme expenditure and a parallel loss of $3.6 million in cost-sharing inputs.

15. On another positive note, voluntary contributions to UNDP regular resources recorded a modest increase of 3 per cent in 2001, reversing the declining trend in core contributions between 1994 and 2000.

World Food Programme

16. WFP delivered $1.744 billion in 2001, accounting for almost a quarter (24.5 per cent) of the total flow of technical cooperation from the United Nations system to the developing world and representing the highest increase ever at 50.6 per cent. WFP contributions and expenditure data submitted in 2000 were based on provisional data retrieved from the financial accounting system, prior to the preparation of the mid-biennium interim financial statements. In this regard, expenditure data for 2000 reported in 2000 was $1.491 billion. In 2001, the amended figure for 2000 was reported as $1.158 billion. Since 1996, WFP has continued to allocate three quarters of its funding – rising to an all-time ratio of 87 per cent by 2001 – to the humanitarian assistance sector. As in the past, WFP cooperation is highly concentrated in Africa and Asia and the Pacific; Africa receiving 42 per cent and Asia and the Pacific receiving 32 per cent of WFP cooperation in 2001. The Democratic People's Republic of Korea replaced Ethiopia as the highest recipient of WFP cooperation in 2001, absorbing 13 per cent, or $231 million – an increase in nominal terms of $117.6 million in programme expenditure. Also noteworthy is the tremendous delivery increase for Afghanistan. Between 1996 and 2000, Afghanistan averaged around $40 million in programme delivery. In 2001, WFP assistance to Afghanistan reached $119 million. This represents a significant increase of almost 175 per cent over its 2000 level of $43 million. In addition to the Democratic People's Republic of Korea ($231 million), Ethiopia and Afghanistan, Kenya ($122 million) and Sudan ($119 million) received over $100 million in technical cooperation expenditure from WFP. All five countries together constituted 44 per cent of total WFP technical cooperation expenditure in 2001; 84 other countries and territories received the remaining 56 per cent.

17. In 2001, contributions made to WFP reached their highest level since the early 1990s. At $1.8 billion, it represents a 30 per cent increase over 1999 and 2000, which averaged around $1.5 billion. Of the 2001 contributions, $1.5 billion, or 83 per cent, represents voluntary contributions from Member States, up from $1.26 billion in 2000. This translates into an overall aggregate increase of 19.4 per cent for voluntary contributions from Member States. The United States continues to be the largest contributor to WFP and in 2001 contributed $748.7 million – increasing its level by 10 per cent over that for 2000. On a similar note, significant contribution increases from Japan and Germany have been reported in 2001. Japan increased its level of contributions at 130 per cent from $122 million in 2000 to $282 million in 2001, while Germany recorded a 128 per cent increase in its level of contributions to WFP: $32.6 million in 2000 to $74.5 million in 2001. Four other large contributors of $40 million or more in 2001 include: Netherlands ($55.3 million), Canada ($42.1 million), Australia ($40.2 million) and Norway ($40 million). All seven countries above provided WFP with 70.8 per cent of its funding base for 2001.

The United Nations Children's Fund

18. Similar to the other United Nations organizations, UNICEF played an important role in contributing to overall United Nations technical cooperation growth. The expansion of UNICEF (14.3 per cent) in technical cooperation terms continued into 2001 when expenditure delivery reached $1 billion for the first time. Since 1996, the health sector absorbed almost half of UNICEF annual resources; this trend continued into 2001 when 45.2 per cent of resources, or $457.1 million, was channeled to health-related activities. Also from 1996 to 2001, three other sectors combined absorbed on average 40 per cent of annual resources from UNICEF: general development issues (13.4 per cent in 2001), social development (12.4 per cent in 2001) and education (12.3 per cent in 2001). These four sectors absorbed over fourth fifths, or $843 million, of the total $1 billion of UNICEF programme expenditure for 2001.

19. Similar to 2000, in 2001 the Africa region and the Asia and the Pacific region were the largest recipients of UNICEF cooperation, absorbing 38 per cent ($382.9 million) and 33 per cent ($328.6 million), respectively. India continued to be the largest recipient of UNICEF cooperation since 1996 and was the recipient of the highest level of assistance ever given by UNICEF to any individual country in any particular year – $103.2 million in 2001. Eight other countries received more than $20 million from UNICEF in the same reporting year: Nigeria ($46.3 million),

Ethiopia ($42.6 million), Democratic Republic of the Congo ($35.8 million), Pakistan ($33.1 million), Bangladesh ($31.2 million), Afghanistan ($29.9 million), Mozambique ($23 million) and Sudan ($22.4 million). In all, these nine countries (including India) were recipients of 36 per cent, or $368 million, of total UNICEF technical cooperation expenditure in 2001.

20. Total income to UNICEF grew slightly at 2.5 per cent in 2001 compared to 2000: $1.218 million in 2001 versus $1.166 million in 2000. Of the 2001 amount, voluntary contributions from all Member States comprised 63.2 per cent, or $769.4 million, of total income, the bulk of which was attributed to the United States, principal donor for UNICEF. Constituting approximately 28 per cent of UNICEF income from all Member States, the United States contributed $216.4 million in 2001, down from $247.6 million in 2000. Notwithstanding this slight decrease, the United States has consistently contributed funding of over $200 million since 1999, for a total value estimated at approximately $668 million. Similar to last year and including the United States, the same six major funding donors to UNICEF again surpassed the $50 million level in 2001: Japan ($97.6 million versus $71.9 million, up 36 per cent from 2000), United Kingdom ($73.9 million versus $84.1 million, down 12 per cent from 2000), Netherlands ($68.8 million versus $50.9 million, up 35 per cent from 2000), Norway ($64.3 million versus $53.9 million, up 19 per cent from 2000) and Sweden ($60.1 million versus $55.9 million, up 7 per cent from 2000). These six countries altogether provided UNICEF with $581 million or almost one half (47.7 per cent) of all income sources combined.

United Nations Population Fund

21. Overall, UNFPA programme delivery reached $313.6 million in 2001, impacting positively in all regions serviced by UNFPA. In terms of regional distribution, all regional entities experienced expansion in 2001, with global and interregional activities recording the most significant increase at $109.8 million – from $11.3 million in 2000 (i.e., $98.5 million increase in technical cooperation expenditure). Bangladesh, for the first time, was the largest recipient of UNFPA technical cooperation expenditure in 2001, the position traditionally held by India since 1996. From $3.7 million in 2000, UNFPA cooperation with Bangladesh significantly increased to $13.7 million in 2001 – a spectacular growth of 273 per cent. Sixteen countries (i.e., Bangladesh, Cambodia, China, Egypt, Ethiopia, India, Indonesia, Mozambique, Nepal, Nigeria, Pakistan, Uganda, United Republic of Tanzania, Viet Nam, Yemen and Zambia) altogether were beneficiaries of $3 million or more of UNFPA assistance in 2001. Overall, these sixteen countries constituted one quarter, or $81.2 million, of UNFPA total technical cooperation delivery for 2001.

22. The expansion in UNFPA technical cooperation expenditure delivery was financed by a similar increase in the contributions/income side. After a slight increase in income recorded for 2000, UNFPA experienced a substantial inflow of aggregate income in 2001: $257.8 million versus $382.4 million. This income growth was primarily fueled by the increased contributions from the Netherlands, from $50.6 million in 2000 to $74.9 million in 2001, thus representing almost 20 per cent of the total income of UNFPA for 2001. From 1995 to 1999, Japan was the highest donor to UNFPA, at approximately $50 million per year. In 2000 and 2001, the Netherlands assumed the top position at $50.6 million and $74.9 million, respectively, with Japan following a close second. In 2001, however, the United Kingdom surpassed Japan and trailed the Netherlands in aggregate funding to UNFPA with contributions in the order of $66.9 million. Other major donors of over $20 million in contributions to UNFPA include Norway ($24.6 million), Denmark ($24.2 million) and the United States ($21.5 million). The six countries above alone were the source of over two thirds, or $262 million, of the UNFPA funding base for 2001.

United Nations system: summary statistics on technical cooperation expenditure and contributions, 1997-2001

	1997		1998		1999		2000		2001	
A. Expenditure	$M	% a/	$M	% a/	$M	% a/	$M	% a/	$M	% a/
Specialized agencies, funds and programmes	1 006.4	4.2	1 444.0	43.5	1 525.3	5.6	2 022.9	32.6	2 036.7	7.0
Regular budgets	402.6	4.9	426.4	5.9	444.0	4.1	469.6	5.8	424.0	(9.7)
Extrabudgetary	603.8	3.7	1 017.6	68.5	1 081.3	6.3	1 553.3	43.7	1612.7	3.8
UNDP	1 800.6	20.5	2 130.8	18.3	2 044.1	(4.1)	1 917.7	(6.2)	2 026.6	5.7
Central	1 528.7	24.2	1 763.6	15.4	1 631.8	(7.5)	1 457.9	(10.7)	1 526.2	4.7
Regular (core)	672.4	20.7	605.8	(9.9)	512.4	(15.4)	404.3	(21.1)	353.5	(12.6)
Government cost-sharing and government cash counterpart contributions	769.2	28.5	1 046.0	36.0	942.3	(9.9)	870.9	(7.6)	970.3	11.4
Third-party cost-sharing	87.1	15.7	111.8	28.4	177.1	58.4	182.7	3.2	202.4	10.8
Funds and administered trust funds	271.9	3.3	367.2	35.0	412.3	12.3	459.8	11.5	500.4	8.8
UNFPA b/	214.4	(1.0)	216.6	1.0	187.1	(13.6)	134.1	(28.3)	313.6	133.9
UNICEF	672.6	(1.6)	645.0	(4.1)	817.9	26.8	885.0	8.2	1 011.9	14.3
WFP c/	1 072.4	(0.5)	1 237.3	15.4	1 429.6	15.5	1 158.3	(19.0)	1 744.1	50.6
Total (expenditures)	4 766.4	7.4	5 673.7	19.0	6 004.0	5.8	6 118.0	1.9	7 132.9	16.6
B. Contributions										
Agencies – extrabudgetary	1 349.9	21.9	1 296.9	(3.9)	1 500.6	15.7	1 792.1	19.4	1 984.5	10.7
Total bilateral	746.7	(0.5)	868.8	16.4	1 261.9	45.2	1 471.1	16.6	1 567.2	6.5
Countries/territories	569.2	11.9	567.5	(0.3)	875.3	54.2	1 066.0	21.8	1 115.7	4.7
NGOs	86.1	8.8	124.5	44.6	168.1	35.0	208.6	24.1	189.2	(9.3)
Unilateral self-supporting	91.4	(43.8)	176.8	93.4	218.5	23.6	196.5	(10.1)	262.2	33.5
Total multilateral	603.2	69.2	428.1	(29.0)	238.7	(44.2)	321.0	34.5	417.3	30.0
United Nations system	570.2	78.6	369.1	(35.3)	139.8	(62.1)	237.0	69.5	298.8	26.1
Non-United Nations system	33.0	(11.3)	59.0	78.8	98.9	67.6	84.0	(15.1)	118.5	41.0
UNDP (voluntary)	760.9	(10.3)	745.8	(2.0)	681.4	(8.6)	634.1	(6.9)	651.8	2.8
UNFPA (voluntary)	285.4	(5.6)	268.4	(6.0)	244.1	(9.1)	255.8	4.8	349.1	36.5
UNICEF (voluntary) d/	592.5	(0.1)	592.2	(0.1)	675.7	14.1	718.6	6.3	769.4	7.1
WFP (voluntary) c/	1 004.6	(10.1)	1 038.3	3.4	1 380.2	32.9	1 439.9	4.3	1 501.0	4.2

a/ Represents percentage increase over previous year's figure.

b/ The figure for UNFPA 2000 did not include programme expenditures funded by other resources. For UNFPA 2001, UNFPA reported programme expenditures funded by regular as well as other resources.

c/ WFP submitted revised expenditure and contributions data for 1996, 1997, 1998, 1999 and 2000.

d/ UNICEF submitted revised contributions data for 1996, 1997, 1998 and 1999.

Note: Contribution data refer to voluntary contributions from Member States. Voluntary contributions comprise only one element of total income. In the case of UNDP, the other elements are cost-sharing, funds and trust funds, government cash counterpart contributions, contributions to local office costs, extrabudgetary activities and management services agreements. In the case of UNICEF, other elements of income include various private sources, interorganizational arrangements and miscellaneous.